

FIRE DEPARTMENT

Impact Analysis Report

OVERVIEW

The Fire Department administers fees for fire safety permits and inspections, fire safety plan reviews and inspections for construction projects submitted to the Building Division, fire system permits (sprinklers, fixed extinguishing systems, and fire alarm systems), hazardous materials permits, and charges for fire reports, documents, and photographs.

Excluding fines that are not included in the cost-recovery calculation, the overall cost-recovery rate proposed for the Fire Department 2004-2005 fee program is 100%, an increase from the 98.2% cost-recovery rate in 2003-2004.

The continued combination of declining construction activity and general economic decline has caused current year (2003-2004) revenues to fall well below cost recovery levels. This lower level of collections is projected to continue and actually decline slightly further in 2004-2005. That projection, plus the increasing staff costs in the Fire Fee Program result in a projected gap of \$685,000 next year. A combination of cost saving measures and fee increases are included in the 2004-2005 Proposed Operating Budget to address this gap. These actions include elimination of positions (1.0 vacant Hazardous Materials Inspector, 1.0 vacant Fire Captain, and 1.0 filled Account Clerk II); an increase to existing fees to raise revenues by an anticipated 5% in the Permitted/Special Occupancy and Hazardous Materials areas; the implementation of a record retention fee for development-related projects; the restructuring of development-related fees; and the reduction of non-personal/equipment funding. The funding shift of 0.5 Senior

Office Specialist in the Environmental Services Department, that is supported by this program, has also been proposed to help bridge this gap.

The Fire Department is also proposing to align its fee structure with those of its development service partners. The changes would include the addition of a 5% record retention fee, the alteration of plan review and inspection fee methodologies, and an increase in the hourly rate for development services. The new fee structure provides a closer nexus between fees and the cost of service and will enable the Fire Department to achieve full cost recovery.

Both the Fire Department and Building will be completing an analysis of commercial and industrial projects within the next six months. Once this analysis is completed, the City's development partners will return to the City Council with a proposal to change the methodology for all Building and Fire fees to a time based system.

In addition to development-related fee changes, the Fire Department has proposed a 5% fee increase to offset shortfalls in the non-development portion of the Fire Fee Program and bring Fee Program revenues in that area to full cost recovery. The 5% fee increase, in the non-development fee program, has been disseminated evenly across most of the fee categories: Annual Renewable Permits and Hazardous Materials Installation, Removal, or Alteration Permits.

A new fee, in the form of a surcharge to the Hazardous Materials Fee schedule, is also being proposed to recover the previously unreimbursed costs of activities performed by the

FIRE DEPARTMENT (CONT'D.)

OVERVIEW (CONT'D.)

Hazardous Incident Team (HIT) to evaluate plans and ensure facilities are in compliance with hazardous materials regulations. Under this plan, surcharge would be applied to "complex" facilities with a Hazardous Materials Occupancy Class with a rating of 8-11.

Complex facilities are businesses in specific industries that handle and use various classes and significant amounts of hazardous materials. The Hazardous Materials Occupancy Classes, 8, 9, 10, and 11 with a quantity range of 5 or greater, addressed by this fee, are distinguished by the type of industry, and the corresponding amounts and types of hazardous materials stored and used. Businesses affected are metal plating and fabrication shops, chemical warehouses, major semiconductor and electronic firms. Other businesses that do not fit into any of the other industry types, but have large amounts of hazardous materials, would also be subject to the fee. The proposed surcharge, if approved, should recover approximately \$200,000 in HIT Unit costs.

SUMMARY OF PROPOSED FEE REVISIONS

For 2004-2005, the following Fire fee changes are recommended in order to help bring program revenues in line with expenditures and achieve 100% cost recovery levels in these categories.

Annual Renewable Permits

Fire Safety Permits – Change the flat fee per type of facility from a range of \$300 to \$1,203 to a range of \$315 to \$1,263 per facility.

Hazardous Materials Permits – Increase Hazardous Materials Permits from \$121 to \$127 per quantity range, increase Hazardous Materials Business Plan (HMBP) and Inventory Fee from \$119 plus \$5.75 per quantity range over one per facility to \$125 plus \$6.00, and increase Tank Facility fee from \$230 to \$242 per facility.

Fire Safety One-time Non-renewable Permits

Permits Requiring No Plan Review or Inspection – Increase fee from \$166 to \$174.

Permits Requiring Either a Plan Review or an Inspection – Increase fee from \$294 to \$309.

Permits Requiring Both a Plan Review and an Inspection – Increase fee from \$423 to \$444.

Additional Permit Requiring a Plan Review and/or Inspection– Increase fee from \$166 to \$174 (in addition to highest permit fee).

Hazardous Materials Installation, Removal, or Alteration Permits

Tanks and Hazardous Materials Systems – Increase the fee from \$458 for the first tank or system plus \$183 per

FIRE DEPARTMENT (CONT'D.)

SUMMARY OF PROPOSED FEE REVISIONS (CONT'D.)

Hazardous Materials Installation, Removal, or Alteration Permits (Cont'd.)

additional tank or system, to \$481 for the first tank or system plus \$192 per additional tank or system.

Closure of Facilities – Increase the fee for the closure of facilities for storing, using, or handling hazardous materials that require the submittal of a closure plan from \$458 to \$481 for the removal of tanks and piping systems.

Liquefied Petroleum Gases – Increase the fee from \$458 for the first tank, plus \$183 per additional tank, to \$481 for the first tank, plus \$192 per additional tank

Ozone Generating Equipment, Refrigeration Equipment, and Vapor Recovery Systems – Increase the fee from \$458 to \$481 per unit.

Inert Gas Installation Permit – Increase fee from \$183 per system to \$192 per system.

Development Plan Review Fees

Fire is proposing to move the fee application methodology for development services to the model now being used by the Building Division. As an example, while the initial architectural fee for commercial buildings will still be determined as a percentage (44% for plan review and 11% for inspection) of the Building Permit fee, service time for projects will be limited as follows:

- The initial plan review fee will pay for unlimited plan review time for the first review cycle with a 2-hour maximum second cycle recheck. Additional time spent on plan review shall be charged at the development hourly rate.
- By using the development hourly rate, inspection service will be limited to the time paid for by the initial inspection fee. Additional time spent on inspection will require payment at the development hourly rate.

Use of this methodology in Building has led to the achievement of efficiencies by customers and by City staff.

Service Fee

Increase the service fee charge from \$64 per half hour or portion thereof to \$81 for each half hour or a portion thereof, minimum one-hour charge.

NEW FEES

Hazardous Incident Team Surcharge

HIT surcharges ranging from \$385 to \$2,985 will be assessed to current Hazardous Materials Occupancy Classes (HMOC) 8 (Metal Plating and Fabrication), HMOC 9 (Chemical Warehouses), HMOC 10 (Electronic Firms) and HMOC 11 (Miscellaneous Complex facilities with total quantity ranges 5 or greater). These fees would recover the cost of inspection and permitting activities performed by the HIT to evaluate

FIRE DEPARTMENT (CONT'D.)

NEW FEES (CONT'D.)

Hazardous Incident Team Surcharge (Cont'd.)

and ensure facilities are in compliance with hazardous materials regulations.

Record Retention Fee

A fee of 5% of Engineering Installation, Removal, or Alteration permits to recover actual costs.

DISCUSSION OF SIGNIFICANT IMPACTS

Despite the number of fee increases for the Fire Department, no significant impact on the Department's customers is anticipated.

NOTIFICATION

Development services increases were discussed with customers at several public forums throughout March and April. Mailings detailing the proposed changes to the non-development customers will be distributed in May.

General public notice of the proposed fee changes will be provided through published Council hearing dates, with a minimum of ten days for public review of the 2004-2005 Proposed Fees and Charges.

DEPARTMENTAL FEES AND CHARGES
FIRE DEPARTMENT

Service	Adopted 2003-2004 Fee	Council Policy Cost Recovery Category	Adopted % Cost Recovery	Proposed 2004-2005 Fee	2004-2005 Estimated Cost	Estimated 2004-2005 Revenue		% Cost Recovery	
						Current Fee	Proposed Fee	Current Fee	Prop'd Fee
BUREAU OF FIRE PREVENTION									
1. Annual Renewable Operating Permits:									
a. Fire Safety Permits	Permit fee per site with a range of \$300 to \$1,203 per permit (includes inspection fee); fee covers all required permits per facility.	Category II		Permit fee per site with a range of \$315 to \$1,263 per permit (includes inspection fee); fee covers all required permits per facility.	6,483,355	1,206,800	1,267,140		
b. Hazardous Materials Permits	\$121 per quantity range (permit fee includes inspection) plus any applicable HMBP and Inventory Fee and Tank Fee		\$127 per quantity range (permit fee includes inspection) plus any applicable HMBP and Inventory Fee and Tank Fee	1,074,200	1,127,910				
1. Retail Outlet Facility Fee	Rate for one quantity range per facility plus quantity range fee for regulated materials not covered by retail exemption, plus any applicable HMBP and Inventory, and Tank Fees		No Change	22,000	23,100				
2. Short Form Facility Fee	Rate for one quantity range per facility		" "	96,000	100,800				
3. Hazardous Materials Business Plan (HMBP) and Inventory Fee	\$119, plus \$5.75 per quantity range over one, per facility filing long form		\$125, plus \$6.00 per quantity range over one, per facility filing long form	164,000	172,200				
4. Tank Facility	\$230 per facility with tanks		\$242 per facility with tanks	40,000	42,000				
5. Permit Fee Waiver (Facilities with small quantities are exempt from the annual HazMat permit fee)	Inspection included in Fire Safety permit			No Change					

DEPARTMENTAL FEES AND CHARGES

FIRE DEPARTMENT

Service	Adopted 2003-2004 Fee	Council Policy Cost Recovery Category	Adopted % Cost Recovery	Proposed 2004-2005 Fee	2004-2005 Estimated Cost	Estimated 2004-2005 Revenue		% Cost Recovery	
						Current Fee	Proposed Fee	Current Fee	Prop'd Fee
BUREAU OF FIRE PREVENTION (CONT'D.)									
1. Annual Renewable Operating Permits: (Cont'd.)									
b. Hazardous Materials Permits (Cont'd.)									
6. Hazardous Incident Team	New Fee			Tier 1 - \$385 per facility			200,000		
Surcharge (Additional fee for plan	New Fee			Tier 2 - \$541 per facility					
review and inspections of facilities	New Fee			Tier 3 - \$748 per facility					
with a Hazardous Materials	New Fee			Tier 4 - \$950 per facility					
Occupancy Class of 8 to 11)	New Fee			Tier 5 - \$1,155 per facility					
	New Fee			Tier 6 - \$1,365 per facility					
	New Fee			Tier 7 - \$1,570 per facility					
	New Fee			Tier 8 - \$1,770 per facility					
	New Fee			Tier 9 - \$1,970 per facility					
	New Fee			Tier 10 - \$2,175 per facility					
	New Fee			Tier 11 - \$2,375 per facility					
	New Fee			Tier 12 - \$2,575 per facility					
	New Fee			Tier 13 - \$2,780 per facility					
	New Fee			Tier 14 - \$2,985 per facility					
c. Fee for annual inspection of permitted facilities	Fire Safety permits -- Service Fee for reinspection of uncleared violations HazMat permits--Service Fee for reinspection of uncleared violations			No Change		16,000	16,800		
2. Fire Safety One-time Non-renewable Permits:									
a. Permits Requiring No Plan Review or Inspection	\$166			\$174		60,600	63,630		
b. Permits Requiring Either A Plan Review OR an Inspection	\$294			\$309					
c. Permits Requiring BOTH a Plan Review AND an Inspection	\$423			\$444					
d. Additional permit requiring a plan review and/or inspection	\$166 each (in addition to highest permit fee)			\$174 each (in addition to highest permit fee)					

* Set by another jurisdiction

DEPARTMENTAL FEES AND CHARGES
FIRE DEPARTMENT

Service	Adopted 2003-2004 Fee	Council Policy Cost Recovery Category	Adopted % Cost Recovery	Proposed 2004-2005 Fee	2004-2005 Estimated Cost	Estimated 2004-2005 Revenue		% Cost Recovery	
						Current Fee	Proposed Fee	Current Fee	Prop'd Fee
BUREAU OF FIRE PREVENTION (CONT'D.)									
2. Fire Safety One-time Non-renewable Permits: (Cont'd.)									
e. Furnigations*	As per State Law			As per State Law					
3. Engineering Installation, Removal, or Alteration Permits:						872,300	872,300		
a. Fire Protection Systems									
• Fire Alarm Systems	\$326 plus \$3.50/device over 50			No Change					
• Fire Suppression Detection or Monitoring System	\$326 per system			" "					
• Fixed Extinguishing System	\$326 plus \$10.20/nozzle over 20			" "					
b. Sprinklers, Standpipes & Pumps									
• Underground Piping System	\$262/system plus \$1.80 per 5 feet of piping			" "					
• Overhead Sprinkler System	\$262/system plus \$1.80 per head			" "					
• Standpipe System	\$262/system plus \$6.00 per outlet			" "					
• Fire Pump	\$916 per pump			" "					
c. Ovens/Industrial Baking/Drying	\$326 per oven/kiln			" "					
d. Spray booths	\$326 per booth			" "					
4. HAZMAT Installation, Removal, or Alteration Permits:						271,300	284,865		
a. Tanks (underground and aboveground)	\$458 for first tank plus \$183 per additional tank			\$481 for first tank plus \$192 per additional tank					
b. Hazardous Materials systems that require submittal of plan	\$458 for first system plus \$183 per additional system			\$481 for first system plus \$192 per additional system					
c. Closure of facilities storing, using, or handling hazardous materials that require submittal of a closure plan	\$458 per facility plus fees required for removal of tanks and piping systems			\$481 per facility plus fees required for removal of tanks and piping systems					

* Set by another jurisdiction

DEPARTMENTAL FEES AND CHARGES
FIRE DEPARTMENT

Service	Adopted 2003-2004 Fee	Council Policy Cost Recovery Category	Adopted % Cost Recovery	Proposed 2004-2005 Fee	2004-2005 Estimated Cost	Estimated 2004-2005 Revenue		% Cost Recovery	
						Current Fee	Proposed Fee	Current Fee	Prop'd Fee
BUREAU OF FIRE PREVENTION (CONTD.)									
4. HAZMAT Installation, Removal, or Alteration Permits: (Cont'd.)									
d. Liquefied Petroleum Gases	\$458 for first tank plus \$183 per additional tank			\$481 for first tank plus \$192 per additional tank					
e. Ozone Generating Equipment	\$458 per unit			\$481 per unit					
f. Refrigeration/HVAC Systems above exempt amount in Article 63 of the UFC	\$458 per unit			\$481 per unit					
g. Vapor Recovery System	\$458 per unit			\$481 per unit					
h. Inert Gas Installation Permit	\$183 per system			\$192 per system					
5. Inspector Activity Fees:	Service Fee (with varying minutes from 1/2 to 3 hrs.)			No Change		119,900	139,480		
• After Hrs Inspection/Plan Review	Service Fee (min 1 hr)			" "					
• Call Back Inspection/Plan Review	Service Fee (min 3 hrs)			" "					
• County Occupancy Inspections*	\$50/hour per Agrmt w/County			" "					
• Day Care Prelicensing Inspection*	As per State Law			" "					
• Expedited Inspection Service**	Service Fee (minimum 1 hr)			" "					
• Failure to Cancel Scheduled Inspection	Service Fee (minimum 1 hr)			" "					
• Failure to Notify for Final Inspection	Service Fee			" "					
• Fire/Smoke Damper Functional Test	Service Fee (minimum 1 hr)			" "					
• Fire Watch Service	Service Fee (min 3 hrs)			" "					
• Hydrant Flow Test	Service Fee			" "					
• Inspections	Service Fee (min 1 hour first visit)			" "					
• Other Services	Service Fee			" "					
• Misc. Plan reviews	Service Fee (min 1 hour)			" "					
• Preliminary Project Site Review	Service Fee (min 1 hour)			" "					
• Services with no specific fee	Service Fee			" "					

* Set by another jurisdiction

** As modified by the City Council on September 16, 2004

DEPARTMENTAL FEES AND CHARGES
FIRE DEPARTMENT

Service	Adopted 2003-2004 Fee	Council Policy Cost Recovery Category	Adopted % Cost Recovery	Proposed 2004-2005 Fee	2004-2005 Estimated Cost	Estimated 2004-2005 Revenue		% Cost Recovery	
						Current Fee	Proposed Fee	Current Fee	Prop'd Fee
BUREAU OF FIRE PREVENTION (CONT'D.)									
5. Inspector Activity Fees: (Cont'd.)									
• Special Events Inspections and Plan Reviews	1.5 times Inspector's Salary			No Change					
• Special Plan Review	Service Fee (min 1 hour)			" "					
6. Plan Review Fees:									
• Architectural Plan Reviews and Inspections by Engineering	Fees collected by Planning Department An amount equal to 55% of the Building Permit fee			44% of Building Permit fee for Plan Check and 11% for Inspection		1,989,400	2,003,130		
• Architectural Express Plan Check**	1.5 times the Architectural Plan Review Fee			No Change					
• Hazardous Materials New Construction Plan Reviews	\$128 per Express Plan Review. For all other plan reviews: \$257 for the first two hours plus Service Fee for any additional hours over two hours			\$162 per Express Plan Review. For all other plan reviews: \$324 for the first two hours plus Service Fee for any additional hours over two hours					
• Architectural Intermediate Plan Check**	1.5 times the Architectural Plan Review Fee			No Change					
• Special Tenant Improvements**	1.5 times the Architectural Plan Review Fee			" "					
7. Miscellaneous Fees:						55,000	55,000		
• Audio Cassette Tapes	\$15.00 each			" "					
• File Research & Analysis	\$0.15 per page			" "					
• Hydrant Processing Fee	\$7.50 per transaction			" "					
• Photocopies of Records and Documents	\$0.15 per page			" "					
• Photographs	\$15.00 plus cost of processing			" "					
• Variance Fee	\$292 per application for first 3 hours, then add Service fee			" "					
• Video Cassette	\$20.00 each			" "					
• Witness Fees*	Service Fee or as Allowed by Statute			" "					

* Set by another jurisdiction

** As modified by the City Council on September 16, 2004

DEPARTMENTAL FEES AND CHARGES
FIRE DEPARTMENT

Service	Adopted 2003-2004 Fee	Council Policy Cost Recovery Category	Adopted % Cost Recovery	Proposed 2004-2005 Fee	2004-2005 Estimated Cost	Estimated 2004-2005 Revenue		% Cost Recovery	
						Current Fee	Proposed Fee	Current Fee	Prop'd Fee
8. Service Fee	\$64.00 per half hour or portion thereof			\$81.00 per half hour or portion thereof, 1 hour minimum					
9. Record Retention Fee	New Fee			5% of Engineering Installation, Removal, or Alteration permits fee			50,000		
10. Late Charges	25% of unpaid invoice if more than 60 days in arrears			No Change		65,000	65,000		
11. Arson Restitution	As established by the Court								
SUBTOTAL - FIRE DEPARTMENT FEES		Category II	97.3%		6,483,355	6,052,500	6,483,355	93.4%	100.0%
TOTAL DEPARTMENT - GENERAL FUND					6,483,355	6,052,500	6,483,355	93.4%	100.0%
TOTAL DEPARTMENT - NON-GENERAL FUND					N/A	N/A	N/A	N/A	N/A
TOTAL DEPARTMENT - CATEGORY I					N/A	N/A	N/A	N/A	N/A
TOTAL DEPARTMENT - CATEGORY II					6,483,355	6,052,500	6,483,355	93.4%	100.0%
TOTAL DEPARTMENT					6,483,355	6,052,500	6,483,355	93.4%	100.0%